

FISCAL NOTE

SB 2439 - HB 3181

March 12, 2004

SUMMARY OF BILL: Exempts diversified investing funds from franchise and excise tax liability.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - According to the Department of Revenue, there are no diversified investing funds meeting the definition provided in the bill currently located in Tennessee. Therefore there is no current fiscal impact due to this bill. However, to the extent that these businesses move to Tennessee as a result of the exemption provided by the bill, there will be foregone revenue to the state estimated to exceed \$100,000.

For informational purposes, because such investing firms are subject to franchise and excise taxes, as well as the Hall income tax, if the provisions of this legislation result in these types of entities relocating in Tennessee, the state may see increased revenue in the form of increased Hall income tax collections. Any such effects are not sufficiently measurable to be included in the quantifiable fiscal impact of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director